

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 21, 2006

In Reply Refer To:
Northwest Pipeline Corporation
Docket No. RP06-367-000

Northwest Pipeline Corporation
P.O. Box 58900
Salt Lake City, UT 84158-0900

Attention: Gary K. Kotter
Manager, Certificates and Tariffs

Reference: Letter Order Accepting Proposed Tariff Revisions

Dear Mr. Kotter:

1. On May 24, 2006, Northwest Pipeline Corporation (Northwest) filed Fourth Revised Sheet No. 16 and Sixth Revised Sheet No. 17 to its FERC Gas Tariff, Third Revised Volume No. 1. The revised tariff sheets propose to change the minimum temporary conversion term from one month to twelve months for Rate Schedule TF-1 Small Customer shippers who temporarily convert to Large Customer status in order to participate in Northwest's capacity release program and to clarify the administrative process for electing the temporary conversion. As discussed below, the revised tariff sheets are accepted for filing effective June 24, 2006, as requested.

2. Northwest states that those Rate Schedule TF-1 shippers that meet the criteria in section 2.2(b) of the rate schedule and elect Small Customer service are served under a one-part volumetric rate. Otherwise, Rate Schedule TF-1 shippers receive Large Customer service under a two-part (reservation and volumetric) rate. Northwest states that the one-part volumetric rate for Small Customers is designed to be a 50 percent load factor equivalent of the Large Customers' two-part rate. Northwest claims that Small Customers historically have had annual average load factors of less than 50 percent, with monthly average load factors significantly higher in the winter months than the summer months.

3. Northwest states that section 2.2(d) of Rate Schedule TF-1 currently includes a procedure for Small Customer status shippers to participate in its capacity release program by temporarily converting to Large Customer status for a period of at least one month. However, Northwest explains, it has recently experienced a Small Customer shipper taking advantage of the temporary conversion procedure flexibility. According to Northwest, the Small Customer shipper paid one-part rates during the low (less than 50 percent load factor) usage months, and then selectively converted to Large Customer status and a two- part rate during its high load factor (more than 50 percent load factor) usage months in order to reduce its revenue responsibility. Moreover, Northwest states that the Small Customer did not release any capacity during the temporary conversion.

4. Northwest states that the purpose of the temporary conversion provision is to allow Small Customer shippers an opportunity to participate in its capacity release program and not for Small Customers to manipulate the program for their own economic benefit. Northwest proposes to extend the minimum term for temporary conversions from one month to twelve months to limit the opportunities for gaming of the program and to make the program fairer to Large Customers that subsidize Small Customer rates.

5. Northwest also proposes revising section 2.2(d) of Rate Schedule TF-1 to provide more details on the electronic election procedures to be used by Small Customers when they elect Large Customer status in Northwest Passage, which is Northwest's interactive software used to conduct electronic data transactions on its internet website. In addition, Northwest proposes to revise section 2.2(d) to state that a shipper's temporary conversion election in Northwest Passage constitutes agreement to the temporary conversion.

6. Public notice of this filing was issued on May 26, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. §385.214 (2005)), all timely filed motions to intervene and any motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were received.

7. The Commission accepts the revised tariff sheets to be effective June 24, 2006, as requested.

By direction of the Commission.

Magalie R. Salas,
Secretary.